



# COD Processing Update

March 18, 2011

## NEWS/UPDATES

### • **2008-2009 Pell Grant CFL Reduction to G5 Net Drawdown On March 16, 2011 (03/17/11)**

On March 16, 2011, Federal Student Aid reduced the Federal Pell Grant (Pell Grant) 2008-2009 Award Year Current Funding Level (CFL) to equal the Net Drawdown amount reflected in the COD System and in G5. This action applies to schools that had a CFL greater than their G5 Net Drawdown. As noted in the warning message that we sent to affected schools on February 22, 2011, this action was taken because disbursements and disbursement adjustments for the 2008-2009 Award Year should have already been submitted to the COD System for processing. This reduction affected approximately 727 schools.

A school affected by the March 16, 2011 CFL reduction to G5 Net Drawdown will be impacted as follows:

- Receive a text message (PGTX09OP Message Class) in the school's Student Aid Internet Gateway (SAIG) mailbox notifying the school of the reduction.
- Receive a new Electronic Statement of Account (ESOA) that reflects the reduction.
- See a change in the school's CFL that reflects the reduction.
- See a change in the school's authorization in G5 that reflects the reduction.

**Note:** The amount of the reduction will equal the difference between the school's CFL and Net Drawdown amount. This means that the amount of the reduction could equal as little as \$0.01.

If you have questions about the 2008-2009 CFL reduction to G5 Net Drawdown or need to have funding reinstated, contact the COD School Relations Center.

### • **Upcoming OMB Expiration Date of Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note (03/16/11)**

The current Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note (MPN) has an Office of Management and Budget (OMB) expiration date of 5/31/2011. Federal Student Aid is in the process of clearing a revised MPN with the OMB and plans to implement it in the fall of 2011.

Until the revised MPN is implemented, the current MPN with the 5/31/2011 expiration date will remain valid for use. Federal Student Aid will provide further guidance on implementation of the revised MPN after it has been approved by OMB.

### • **Updated Guidance on Making Direct Loan Refunds of Cash (03/14/11)**

An [Electronic Announcement](#) was released to schools from the COD School Relations Center on March 11, 2011 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. This announcement reminds schools of the correct process for making a refund of cash (i.e., returning unused Direct Loan funds) to the Department of Education (the Department).

If you would like to be added to or removed from the Direct Loan Electronic Announcement distribution list, please submit an e-mail to [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com) with the subject line of "DL Electronic Announcement Distribution".



- **Loan Servicing Information – Federally-Owned Loan Transfer Initiatives Planned for March – April 2011 (03/14/11)**

During the March - April 2011 period, Federal Student Aid plans to implement the next two transfer initiatives related to borrowers who have more than one servicer of their William D. Ford Federal Direct Loan (Direct Loan) Program loans and Federal Family Education Loan (FFEL) Purchased Loans.

For complete information about the Direct Loan transfer initiative, refer to [the March 10, 2011 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site.

- **2008-2009 ACG CFL Reduction to G5 Net Drawdown Warning Message (03/09/11)**

At this time, all Academic Competitiveness Grant (ACG) funds for the 2008-2009 Award Year should have been disbursed to students. In general, schools are to submit ACG disbursements to the Department of Education (the Department) no later than 30 days after making an actual disbursement or becoming aware of the need to adjust a student's previously reported disbursement. Accordingly, disbursements and disbursement adjustments for the 2008-2009 Award Year should have already been submitted to the Common Origination and Disbursement (COD) System for processing.

**2008-2009 CFL Reduction to G5 Net Drawdown Warning Message Sent on March 08, 2011**

On March 8, 2011, Federal Student Aid sent a message to schools that have a G5 ACG authorization, known in the COD System as Current Funding Level (CFL), for the 2008-2009 Award Year that is greater than their Net Drawdown amount reflected in the COD System and in G5. The message warns an affected school that its 2008-2009 ACG CFL will be reduced to the G5 Net Drawdown if the CFL is still greater than the G5 Net Drawdown on March 22, 2011. When the actual reduction occurs on March 22nd, the school will have a reduced authorization in G5 and will receive an Electronic Statement of Account (ESOA) that reflects the revised authorization.

Federal Student Aid sent the March 8, 2011 warning message to an affected school's Student Aid Internet Gateway (SAIG) mailbox in the message class AGTX09OP. A school that receives the warning message should review its internal records and its CFL, G5 Net Drawdown, and Net Accepted and Posted Disbursements (NAPD) reflected in the COD System as soon as possible. The school should submit all outstanding downward disbursement adjustments to the COD System and/or request any outstanding drawdown from G5 for the 2008-2009 Award Year as soon as possible but before March 22, 2011.

**Note:** As a reminder, G5 will be unavailable March 4-14, 2011 for the [G5 Phase 3 Implementation](#).

This same information is posted in a [March 9, 2011 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#). If you have questions about the 2008-2009 ACG CFL reduction to G5 Net Drawdown, contact the COD School Relations Center.

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## CURRENT ISSUES

### DIRECT LOANS

### Financial Transaction Updates Not Reflected in COD System (03/18/11)

Following the G5 Phase 3 implementation and shutdown earlier this month, Federal Student Aid began processing financial files on March 14, 2011. These files



contained all financial information from the start of the G5 implementation and shutdown on March 4, 2011.

Federal Student Aid has determined that all financial transactions since March 4, 2011 have processed in G5, but the information has not been updated in the COD System. This includes all drawdown, drawdown adjustment, and refund transactions. As a result, the Funding Information screen, the Cash Activity screen, and the Refunds of Cash screen on the COD Web site will not include transactions processed since March 4, 2011.

Federal Student Aid is working to resolve this issue as soon as possible and apologizes for the inconvenience this issue may have caused.

#### **Duplicate Student Borrower Report Issue (03/10/11)**

Each month the COD System sends a Duplicate Student Borrower Report to schools. This report lists student borrowers for which the COD System has accepted multiple Direct Subsidized Loan and/or Direct Unsubsidized Loan records with overlapping academic years.

Federal Student Aid has determined that the latest Duplicate Student Borrower Report was not sent to all schools' SAIG mailboxes on March 6, 2011. The reports cannot be resent, however, any school needing the report can view or print it from the school's COD Reporting Newsbox on the COD Web site.

#### **Direct Loan Master Promissory Note Acknowledgment Issue (03/4/11)**

Federal Student Aid has determined that some schools are receiving Direct Loan Master Promissory Note (MPN) Acknowledgements incorrectly or receiving MPN acknowledgements with missing information. In these cases, the MPN acknowledgments are sent because a change tag for any of a borrower's key identifiers (last name, date of birth, or Social Security Number) is submitted along with a change to a Direct PLUS Loan award. The issue occurs even when the value in the

change tag is the same value currently on the COD System.

If a school submits an identifier change tag with a change to a Direct PLUS Loan award, one of the following two scenarios results in a new MPN acknowledgement:

1. If the borrower has an existing Direct Subsidized Loan and Direct Unsubsidized Loan MPN on file, the COD System will send a duplicate MPN acknowledgement. The information contained in the duplicate acknowledgement is correct and matches what is currently on the COD System.
2. If the borrower has a newer unlinked Direct PLUS Loan MPN on file, the COD System will unlink the Direct PLUS Loan award from its current MPN and relink it to the newer unlinked MPN. In this scenario, a new MPN acknowledgement will be generated, but, in some cases, the Expiration Date tag is omitted from the new acknowledgement.

Federal Student Aid is currently researching a solution for this issue. Federal Student Aid will provide updates to this issue as information becomes available and will post this new information in the COD Processing Update on the COD Web site.

Federal Student Aid apologizes for the inconvenience this issue may cause and appreciates your patience as work continues to resolve it. If you have questions about this issue, contact the COD School Relations Center.

## **GRANTS**

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Federal Student Aid is working to resolve this issue as soon as possible and apologizes for the inconvenience this issue may have caused.

## REMINDERS

### Impact on COD Processing March 20, 2011 (03/16/11)

Federal Student Aid is planning several system maintenance activities on March 20, 2011. In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) due to its regular Sunday morning maintenance. These activities will result in outages of certain COD System functionality for a period of time.

An explanation of how these activities will impact COD System availability and processing follows below. Please review this information to determine if processing at your school will be affected.

### Extended COD System Maintenance

From 12:00 A.M. (ET) until 12:00 P.M. (ET) on Sunday, March 20, 2011—

- Users will not be able to submit or retrieve data via the [COD Web site](#).
- An individual will not be able to complete online Direct Loan Entrance Counseling, complete a new Master Promissory Note (MPN) electronically, complete a Direct PLUS Loan Request electronically, endorse a Direct PLUS

Loan electronically or view loan correspondence via the [StudentLoans.gov Web site](#).

- An individual will not be able to complete TEACH Grant Initial and Subsequent Counseling, complete a new TEACH Grant Agreement to Serve (ATS), or retrieve an existing ATS via the [TEACH Grant Web site](#).
- Batches submitted by schools via the SAIG will be held or schools will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

## Contact Information

Federal Student Aid appreciates your patience and understanding as it completes this important activity. If you have any questions about the COD System, the StudentLoans.gov Web site, or the TEACH Grant Web site, contact the COD School Relations Center. If you have any questions about the SAIG, contact CPS/SAIG Technical Support at 800/330-5947 or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).

### **COD Computer-Based Training (03/17/11)**

Federal Student Aid takes this opportunity to remind the community of the availability of the COD Computer-Based Training (CBT). The COD CBT includes enhancements that have been made to the COD System, the [COD Web site](#), and associated Web sites and software products through June 26, 2010.

The COD CBT consists of component simulations and CBTs. Each COD CBT component is explained below. The electronic files associated with each component, as well as information about downloading and navigating the COD CBT, are available on the Information for Financial Aid Professionals (IFAP) Web site. Under the “Tools for Schools” section on the home page, click on [COD Computer-Based Training](#).

If you have questions or comments about the COD CBT, contact the COD School Relations Center at 800/474-7268 for Grants or 800/848-0978 for Direct Loans. You



may also e-mail [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com). If you e-mail your question or comment, please include “COD CBT Question/Comment” in the subject line.

### **Sending Addresses for U.S. Territories and Foreign Countries on the Common Record or the COD Web site (03/17/11)**

When submitting student or borrower addresses or address changes to the Common Origination and Disbursement (COD) System, it is important that the correct tags are used, particularly when the student or borrower address is located in a U.S. Territory or Foreign Country. If these addresses are not submitted correctly, important correspondence from the COD System and the federal loan servicers is delayed or not received.

- When a student or borrower address is located in a U.S. Territory it is considered a domestic address. Do not submit a Country Code.
- When a student or borrower address is located in a Foreign Country, it is treated as a foreign address.

See below for the correct procedures for submitting U.S. Territories and Foreign Country addresses via the Common Record batch submission or COD Web site.

### **Submitting Addresses for U.S. Territories and Foreign Countries via the Common Record**

When creating or updating a person record via the Common Record batch submission, a school should send the address block with the following tags:

Schema Version	Included Tags for Domestic Address, including U.S. Territories	Excluded Tags for Domestic Address, including U.S. Territories	Included Tags for Foreign Addresses

3.0c or 3.0d	<AddressLine> <City> <StateProvinceCode> <PostalCode>	<StateProvince> <CountryCode>	<AddressLine> <City> <StateProvince> (Optional) <PostalCode> (Optional)  <CountryCode>
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### **Submitting Addresses for U.S. Territories and Foreign Countries via the COD Web site**

When creating or updating a person record on the COD Web site, a school should select the U.S. Territory from the dropdown box in the State/Province field. A school should select the Country field as “Blank”.

A complete list of State Codes (including U.S. Territories), Jurisdictions, and Country Codes are provided in Volume VI, Section 4 of the [2010-2011 COD Technical Reference](#). If you have questions about this information, contact the COD School Relations Center.